



Corporate Fraud Services Business Plan 2018-2019

Contents

1. Introduction
2. National Context
3. Aims and Objectives
4. Resources
5. Key Activities 2018-19
6. Performance

1 INTRODUCTION

- 1.1 Local Authorities have a duty¹ to safeguard public funds and take responsible steps to ensure that controls are in operation to mitigate, prevent, detect and prosecute fraudulent activity. All Councillors and Officers are committed to a zero tolerance approach towards fraud and corruption in the administration of its responsibilities, whether committed internally or externally by Contractors or Partners.
- 1.2 The Corporate Fraud Team at Suffolk Coastal and Waveney District Councils undertake dedicated fraud prevention, detection, investigation, prosecution and intelligence gathering activities.
- 1.3 The Corporate Fraud Team receives referrals from internal staff, external agencies and departments along with anonymous referrals from members of the public. A confidential telephone fraud 'hotline' (01394 444444), is available for members of the public to report their suspicion of fraud. Reports can also be made via the Council website, or via email fraud@eastsoffolk.gov.uk

2 NATIONAL CONTEXT

- 2.1 Tackling fraud in Local Government continues to remain high profile; driven by the duty to ensure public stewardship of Council resources and to enable Council's to provide services to those in need whilst facing significant reductions in funding.
- 2.2 The loss and harm caused by fraud in the public sector is significant. The National Fraud Authority Annual Fraud Indicator showed an estimated annual loss of £2.1 billion to fraud in local government. This loss excludes business rates which is a main area of income generation. This also does not take in to consideration the social harm caused by fraud.
- 2.3 Protecting the English Public Purse 2016 has been issued by The European Institute for Combatting Corruption And Fraud (TEICCAF) to continue the national series of Protecting the public purse reports previously published by the Audit Commission. The report specifically identified:
 - Right to Buy (RTB) is documented as one of the largest emerging threats in the Country.
 - Procurement fraud is continuing to rise, with the number of cases increasing by over 90%.
 - Insurance fraud is continuing to rise, with the number of cases doubling.
- 2.4 CIPFA (Chartered Institute of Public Finance & Accountancy) continues to lead and support the fight against fraud and corruption across local and central government; including publication of the Fighting Fraud and Corruption Locally 2016-2019 strategy.
- 2.5 HM Government has reinforced it's commitment to tackling corruption by issuing a UK Anti-Corruption Strategy 2017-2022.

¹ The Accounts and Audit Regulations 2015, SCDC, WDC Financial Standing Orders, CIPFA Solace delivering good governance in Local Government: Framework, Local Government Act 1972, National Audit Office and Cabinet Office.

3 AIMS & OBJECTIVES

3.1 The Corporate Fraud Team at Suffolk Coastal and Waveney District Councils is committed to:

- Raising awareness of the importance of tackling fraud;
- Focussing on prevention and deterrence as a cost-effective means of reducing fraud losses to protect public resources;
- Investigate potential fraudulent or corrupt activity and take appropriate action;
- Recovering losses from fraud, using legislation such as the Proceeds of Crime Act (POCA);
- Working with other organisations to prevent, deter and detect fraud and reduce loss through fraud and error.

4 RESOURCES

4.1 The Corporate Fraud Team at Suffolk Coastal and Waveney District Council forms part of the Internal Audit Services Partnership arrangements with Ipswich Borough Council.

4.2 The Corporate Fraud Team has expanded during 2017-18, with the successful appointment of a second full time Corporate Fraud Investigator and a part time Corporate Fraud Intelligence Officer. Partnership arrangements provide an opportunity to share knowledge and expertise, with a further three full time equivalent posts appointed at Ipswich Borough Council.

4.3 Two of the Corporate Fraud Investigators are Accredited Financial Investigators, with a further two Accredited Financial Investigators based at Ipswich Borough Council. This provides a significant advantage to the Council as it enables the Council's to recover financial losses due to criminal activity, as well as the ability to tackle broader criminal conduct under the Proceeds of Crime Act 2002.

5 KEY ACTIVITIES 2018-19

5.1 Workstreams for the Corporate Fraud team during 2018-19 have been aligned to common themes set out within the Council's Anti-Fraud and Corruption Strategy, CIPFA Fighting Fraud and Corruption Locally 2016-2019 and the Government's UK Anti-Corruption Strategy 2017-2022.

5.2 Fraud investigations conducted may fall within any of the following key areas (as identified within Protecting the Public Purse 2016):

<p>ACKNOWLEDGE Acknowledge and understanding fraud risks</p>	<p>Review and assess the Council's policies affecting Corporate Fraud.</p>	<p>Conduct a formal fraud risk assessment including cyber security and recruitment fraud within the Council's which will be used to create a fraud risk mitigation plan.</p>	<p>Provide fraud awareness training across the Council and its Partners</p>	<p>Participate in International Fraud Awareness Week. Participate in joint agency proactive exercises</p>		
<p>PREVENT Preventing and detecting more fraud</p>	<p>Conduct targeted reviews in conjunction with Internal Audit to design out fraud from the outset, which will enhance fraud controls and processes across the organisation.</p>	<p>Perform due diligence checks on all Right to Buy and selected Gateway to Homechoice applications .</p>	<p>Review all housing applications including succession applications prior to award.</p>	<p>Publicising the work of the service through internal promotion and to the public through the Press Office</p>		
<p>PREVENT Preventing and detecting more fraud</p>	<p>Conduct fraud investigations in response to referrals from internal staff, members of the public and external agencies or partners.</p>	<p>Conduct proactive exercises on various areas key areas of work</p>	<p>Improve fraud awareness & understanding across the Council, including members and new employees. This includes , the assistance the service can provide in many enforcement areas, not least, for the seizure of assets of offenders to recoup financial losses.</p>	<p>Improve the mechanisms and tools available for internal staff and members of the public to report suspected instances of fraud.</p>	<p>Undertake NFI data matching activities and any local proactive fraud drives assessed as a priority by the Head of Internal Audit.</p>	<p>Continue to actively foster and maintain good working relationships with external agencies and partners</p>
<p>PURSUE Being stronger in punishing fraud/recovering losses</p>	<p>Utilise civil sanctions and the option of prosecution where an offence is committed.</p>	<p>Publicise successes to increase confidence in public spending.</p>	<p>Continue to review and apply the Council's Prosecution and Sanction policy.</p>			

- Tenancy fraud
- Right to Buy (includes continuing due diligence support)
- Social Housing Applications
- Council Tax Reduction Scheme
- Council Tax – Single Person Discount
- Cyber Security
- National Non Domestic Rates (Business Rates evasion)
- Procurement
- Insurance claims
- Blue Badge Scheme (in partnership with Suffolk County Council)
- Economic and third sector supporting, including grants
- National Fraud Initiative Matches (statutory national exercise)
- Recruitment

5.4 In support of the UK Anti-Corruption Strategy 2017-2022, Internal Audit and Corporate Fraud Services plans of work for 2018-19 onwards will dedicate resource to specifically consider the risk of procurement fraud to reduce corruption in public procurement and grants.

6 PERFORMANCE

6.1 An annual report of outcomes will be presented to the Audit & Governance Committee, usually in June each year.

6.2 Outputs are monitored on a monthly basis within the service area directed by the Head of Internal Audit.